



Brownfields Cleanup Revolving Loan Fund Pilot

Lowell, MA

Outreach and Special Projects Staff (5101)

Quick Reference Fact Sheet

EPA's Brownfields Economic Redevelopment Initiative is designed to empower states, communities, and other stakeholders in economic redevelopment to work together in a timely manner to prevent, assess, safely clean up, and sustainably reuse brownfields. A brownfield is a site, or portion thereof, that has actual or perceived contamination and an active potential for redevelopment or reuse. EPA is funding: assessment demonstration pilot programs (each funded up to \$200,000 over two years), to assess brownfields sites and to test cleanup and redevelopment models; job training pilot programs (each funded up to \$200,000 over two years), to provide training for residents of communities affected by brownfields to facilitate cleanup of brownfields sites and prepare trainees for future employment in the environmental field; and, cleanup revolving loan fund programs (each funded up to \$500,000 over five years) to capitalize loan funds to make loans for the environmental cleanup of brownfields. These pilot programs are intended to provide EPA, states, tribes, municipalities, and communities with useful information and strategies as they continue to seek new methods to promote a unified approach to site assessment, environmental cleanup, and redevelopment.

BACKGROUND

Lowell, Massachusetts was the nation's first planned industrial city. The City's prosperity grew throughout the nineteenth and early twentieth centuries. After World War I, however, Lowell declined, as manufacturing companies migrated to southern states. Decades of disinvestment, decay, poverty, unemployment, and crime followed. Almost 2,000 acres of abandoned and underutilized industrial and historic mill manufacturing properties plague the city. Today, 18 percent of Lowell's 105,000 residents live below the poverty level. Approximately 25 percent of Lowell jobs have been lost since 1985. While growth in the State's high-tech service-based industries has exploded, the majority of Lowell's unemployed lack the education and skills to gain employment in these fields. Redeveloping Lowell's brownfields may be the only way to create jobs for these residents. Since it was awarded a Brownfields Assessment Pilot and designated a National Brownfields Showcase Community, Lowell has completed 30 Phase I and 6 Phase II site assessments.

BCRLF OBJECTIVES

The Lowell BCRLF will provide the additional financing required to spur the cleanup of priority sites. The BCRLF will complement the City's efforts to provide

PILOT SNAPSHOT



Lowell, Massachusetts

Date of Announcement:
May 25, 1999

Amount: \$500,000

BCRLF Target Area:
Sites within the Federal
Enterprise Community and
throughout the City

Contacts:

Assistant City Manager
(978) 970-4252

Region 1 Brownfields
Coordinator
(617) 918-1209

Visit the EPA Region 1 Brownfields web site at:
www.epa.gov/region01/remed/brnflid/

For further information, including specific Pilot contacts, additional Pilot information, brownfields news and events, and publications and links, visit the EPA Brownfields web site at:
<http://www.epa.gov/brownfields/>

comprehensive assistance to businesses and developers converting brownfields to safe, sustainable, taxable, job-creating parcels. The pilot plans to provide 50 percent of BCRLF loans to sites in the Federal Enterprise Community (EC). Two potential sites include a property targeted for conversion from industrial and commercial use to residential use and a 990,000 square foot historic industrial and commercial mill space.

FUND STRUCTURE AND OPERATIONS

The Assistant City Manager/Director of the Division of Planning and Development will serve as the lead agency. The Director of Economic Development (DED) will work with the Economic Development Officer to directly manage each project, serving as site manager. Through a competitive process, Lowell will contract with either the Lowell Development and Financial Corporation (LDFC) or a third party to act as fund manager. The pilot anticipates making four loans, averaging approximately \$100,000, to eligible borrowers during the initial lending period.

LEVERAGING

The City will bundle the BCRLF with other tools such as the Massachusetts Economic Development Incentive Program, Section 108 Loan and Community Development Block Grant (CDBG) Programs, and the Federal Brownfields Tax Incentive. Additionally, the Brownfields Redevelopment Fund and the Brownfields Tax Credit, a new Massachusetts law, will soon be available. To obtain 50 percent of project costs from the State, Lowell will seek to have some sites designated as Urban Renewal Projects. Other federal programs may be leveraged to fund a loan loss reserve. Lowell will make \$4 million of Section 108 loan funds available, to assist developers in financing cleanup and non-cleanup related costs. The City will provide an in-kind contribution in the amount of \$20,000 for a staff member to act as a general pilot manager.

Use of BCRLF Pilot funds must be in accordance with CERCLA, and all CERCLA restrictions on use of funding also apply to BCRLF funds.
